



NO: B130520
VANCOUVER REGISTRY
ESTATE: 11-253594

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
IMOGO MOBILE TECHNOLOGIES CORP.

AFFIDAVIT OF SERVICE

I, JANE MILIC, Process Server of #133-970 Burrard Street, Vancouver, British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. THAT a copy of the Letter dated April 24, 2013, Application for Bankruptcy, Notice of Hearing of Application, and Affidavit #1 of Chris Hill made on April 19, 2013 in this proceeding were served by me on THE OFFICIAL RECEIVER, BANKRUPTCY DIVISION, DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS located at 4 – 300 West Georgia Street, Vancouver, British Columbia, on the 24th day of April, 2013, at the hour of 3:23 o'clock in the afternoon, by handing to and leaving with Andrew, Reception/Courier Desk.
 2. THAT a copy of the documents served by me in the manner aforesaid are attached hereto and marked Exhibit(s) A, C, D, and E, respectively to this my Affidavit.
 3. THAT a copy of the Letter dated April 24, 2013, Application for Bankruptcy, Notice of Hearing of Application, and Affidavit #1 of Chris Hill made on April 19, 2013 in this proceeding were served by me on IMO GO MOBILE TECHNOLOGIES CORP. located at 600 – 1090 West Georgia Street, Vancouver, British Columbia, on the 24th day of April, 2013, at the hour of 3:39 o'clock in the afternoon, by handing to and leaving with Alex, Receptionist.
 4. THAT a copy of the documents served by me in the manner aforesaid are attached hereto and marked Exhibit(s) B, C, D, and E, respectively to this my Affidavit.

SWORN before me at the City of Vancouver,
in the Province of British Columbia, this 25, day
of April, 2013.

A Commissioner for taking Affidavits in and for
The Province of British Columbia.

PROVINCE OF BRITISH COLUMBIA
David Michael Olynyk
A Commissioner for Taking
Affidavits for British Columbia
133 - 970 Burrard Street
Vancouver, B.C. V6Z 2R4
Expiry Date: February 28, 2011

FROM THE OFFICE OF Tijana Gavric
DIRECT LINE 604.643.2941
DIRECT FAX 604.605.3508
E-MAIL tgavric@davis.ca

FILE NUMBER: 83439-00017

April 24, 2013

DELIVERED BY HAND

The Official Receiver
Bankruptcy Division
Department of Consumer & Corporate Affairs
1900 - 300 West Georgia Street
Vancouver, BC V6B 6E1

Dear Sirs:

**Re: In the Matter of the Bankruptcy of Imogo Mobile Technologies Corp. -
Vancouver S.C.B.C. Action No. B130520**

In connection with the above-noted action, please find enclosed for service upon you filed copies of the following:

1. Application for Bankruptcy filed April 23, 2013;
2. Affidavit #1 of Christopher Robert Hill, sworn April 19, 2013; and
3. Notice of Hearing filed April 23, 2013 (returnable May 8, 2013).

Please acknowledge service of the above-noted materials by signing the enclosed copy of this letter and returning it to our offices.

Yours truly,

DAVIS LLP

Per:

Tijana Gavric
TAG/sxl

Encls.

Davis: 13675718.1

This is Exhibit A
referred to in the Affidavit of
Jane Milic
sworn before me this

day of April 2013

Jane Milic
A Commissioner for taking
Affidavits within
British Columbia

FROM THE OFFICE OF **Tijana Gavric**
DIRECT LINE 604.643.2941
DIRECT FAX 604.605.3508
E-MAIL tgavric@davis.ca

FILE NUMBER: 83439-00017

April 24, 2013

DELIVERED BY HAND

Imogo Mobile Technologies Corp.
(Registered Office)
600 - 1090 West Georgia Street
Vancouver, BC V6E 3V7

Dear Sirs:

**Re: In the Matter of the Bankruptcy of Imogo Mobile Technologies Corp. -
Vancouver S.C.B.C. Action No. B130520**

In connection with the above-noted action, please find enclosed for service upon you filed copies of the following:

1. Application for Bankruptcy filed April 23, 2013;
2. Affidavit #1 of Christopher Robert Hill, sworn April 19, 2013; and
3. Notice of Hearing filed April 23, 2013 (returnable May 8, 2013).

Please acknowledge service of the above-noted materials by signing the enclosed copy of this letter and returning it to our offices.

Yours truly,
DAVIS LLP
Per:


Tijana Gavric
TAG/sxl

Encls.

Davis: 13675796.1

This is Exhibit B
referred to in the Affidavit of
Jane Milic
sworn before me this
25

day of April 2013

A Commissioner for taking
Affidavits within
this



No. B130520
Vancouver Registry
ESTATE: 11-253594

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
IMOGO MOBILE TECHNOLOGIES CORP.

APPLICATION FOR BANKRUPTCY

We, Espresso Capital Partners Tax Credit II Fund Limited Partnership of 500-666 Burrard Street, Vancouver, British Columbia, hereby petition the Court that Imogo Mobile Technologies Corp. ("Imogo") be adjudged bankrupt and that a Bankruptcy Order be made in respect of the property of Imogo, whose registered office is at 600-1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7, and say:

1. Imogo has at some time during the six months next preceding the filing of this Application for Bankruptcy carried on business in or around Vancouver, British Columbia, within the jurisdiction of this Court;
2. Imogo ceased doing business sometime on or before March 11, 2013;
3. Imogo is justly and truly indebted to us in the sum of \$249,042.40 as at February 21, 2013 together with interest calculated from February 21, 2013 at the rate of 30.60% per annum compounding monthly and costs;
4. We hold security for payment of the said sum and we estimate the value of such security at the sum of \$240,000.00;

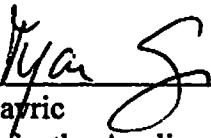
This is Exhibit C
referred to in the Affidavit of
Jane milic
sworn before me this
25
day of April 2013
A Commissioner for taking
Affidavits within
British Columbia

5. Imogo within the six months next preceding the date of the filing of this Application for Bankruptcy has committed the following acts of bankruptcy; namely:
 - (a) It has ceased to meet its liabilities generally as they become due;
6. The Bowra Group Inc. of 430 - 505 Burrard Street, One Bentall Centre, Box 72, Vancouver, British Columbia, V7X 1M3, is qualified to act as Trustee of the property of the said debtor, has agreed to act as such and is acceptable to us.

DATED at Vancouver, British Columbia, this 22nd day of April, 2013.

**ESPRESSO CAPITAL PARTNERS TAX CREDIT
II FUND LIMITED PARTNERSHIP by its
solicitors Davis LLP**

Per:



Tijana Gavric
Solicitor for the Applicant

ISSUED at Vancouver, British Columbia, this 23 day of April, 2013.

original signed by
T. NGUYEN
Deputy District Registrar

REGISTRAR IN BANKRUPTCY



No. B130520
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

11-253594

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
IMO GO MOBILE TECHNOLOGIES CORP.

NOTICE OF HEARING OF APPLICATION

TO: Imogo Mobile Technologies Corp.
203-4211 Kingsway Avenue, Burnaby, British Columbia

AND TO: The Official Receiver
Vancouver, British Columbia
Bankruptcy Division
Department of Consumer & Corporate Affairs
1900 - 300 West Georgia Street
Vancouver, British Columbia V6B 6E1

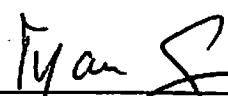
TAKE NOTICE that an Application that a Bankruptcy Order be made in respect of the property of Imogo Mobile Technologies Corp. will be heard before the presiding Master, if a Registrar in Bankruptcy in Chambers, at the Courthouse, 800 Smithe Street, Vancouver, British Columbia, on the 8th day of May, 2013, at the hour of 9:45 o'clock in the forenoon or so soon thereafter as the Application can be heard.

This is Exhibit D
referred to in the Affidavit of
Jane Milic
sworn before me this
25
day of April 2013
A Commissioner for taking
Affidavits within
British Columbia

AND FURTHER TAKE NOTICE that if notice of cause against the Applicant is not filed in Court and a copy thereof served on the solicitor for the petitioning creditor at least two days before the hearing and if you do not appear at the hearing, the Court may make a Bankruptcy Order on such proof of the statements in the Application as the Court shall think sufficient.

April 22, 2013

Dated



Davis LLP (Tijana Gavric)
Solicitor for the Applicant

This matter is of a non-contentious nature and we estimate it will take 15 minutes to complete.

This matter is within the jurisdiction of a Master, if a Registrar in Bankruptcy.



This is the 1st affidavit
of Chris Hill in this case
and was made on April 19, 2013

No. B130520
Vancouver Registry

11-253594

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF
IMO GO MOBILE TECHNOLOGIES CORP.

AFFIDAVIT

This is Exhibit E
referred to in the Affidavit of
Jane Milic
sworn before me this

25
day of April 2013

JANE MILIC
A Commissioner for taking
Affidavits within
British Columbia

I, CHRISTOPHER ROBERT HILL, businessman, of 615 - 600 Howe Street, in the City of Vancouver, in the Province British Columbia, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Chief Financial Officer of Espresso Capital Partners Tax Credit II Fund Limited Partnership ("Espresso"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where the same are stated to be on information and belief, in which case I verily believe the same to be true.
2. I make this Affidavit in support of the Application to the Court to have Imogo Mobile Technologies Corp. ("Imogo") adjudged bankrupt. Attached hereto and marked as Exhibit "A" to this my Affidavit is a true copy of a BC Registry Services Search for Imogo, which shows that the company is incorporated pursuant to the laws of British Columbia.
3. On or about April 23, 2012, Espresso advanced funds in the amount of \$200,000.00 to Imogo pursuant to a loan agreement dated April 23, 2012 (the "Loan Agreement"). On the same day, Imogo executed a promissory note (the "Promissory Note") in favour of Espresso, as well as a general security agreement (the "GSA"), granting to Espresso a security interest in all of its present and after acquired personal property. Attached hereto and marked as Exhibit "B" to this my Affidavit is a true copy of the Loan Agreement. Attached hereto and marked as Exhibit "C"

to this my Affidavit is a true copy of the Promissory Note. Attached hereto and marked as Exhibit "D" to this my Affidavit is a true copy of the GSA.

4. As at February 21, 2013, Imogo was indebted to Espresso in the sum of \$249,042.40 (the "Debt"), plus further interest from February 21, 2013 at the rate of 30.60%, compounding monthly. Accordingly, by letter dated February 21, 2013, Espresso caused its counsel to issue a demand to Imogo, along with a Notice of Intention to Enforce Security pursuant to the *Bankruptcy and Insolvency Act*. Despite the demand, no amount has been paid by Imogo on account of the Debt. Attached hereto and marked as Exhibit "E" to this my Affidavit is a true copy of the demand letter.

5. Following Imogo's default under the Loan Agreement, the Bowra Group Inc. (the "Bowra Group") was appointed Receiver over the assets of Imogo on March 12, 2013, pursuant to the GSA.

6. I am informed by Doug Chivers of the Bowra Group and do verily believe that Imogo ceased doing business some time on or before March 11, 2013.

7. I am informed by Doug Chivers of the Bowra Group and do verily believe that the value of the security charged by the GSA that would be recoverable by Espresso, after realisation costs, is approximately \$240,000.00.

8. I am also informed by Doug Chivers of the Bowra Group and do verily believe that he has obtained an independent legal opinion that states that the GSA is perfected and enforceable.

9. I am further informed by Doug Chivers of the Bowra Group and do verily believe that, in addition to the Debt owed to Espresso, Imogo is in arrears with its payments to several former employees in the amount of \$37,000.00.

10. Based on the foregoing, I do verily believe that Imogo has failed to meet its liabilities as they became due and owing.

11. In the event Imogo is petitioned into bankruptcy, I am informed by Doug Chivers and do verily believe that the Bowra Group has consented to act as Trustee-In-Bankruptcy.

SWORN BEFORE ME at Vancouver,
British Columbia, on April 19, 2013.

Tijana Gavric
A Commissioner for taking Affidavits for
British Columbia.

)
)
)
)
)
)

CHRISTOPHER ROBERT HILL

TIJANA GAVRIC
Barrister and Solicitor
DAVIS LLP
2800 - 666 Burrard Street
Vancouver, B.C. V6C 2Z7
604.687.9444

This is Exhibit "A" referred to in the affidavit of Chris Hill,
sworn before me at Vancouver, in the Province of British
Columbia, this 19th day of April, 2013



A Commissioner for taking Affidavits
for British Columbia

Davis: 13645882.1



BC Registry Services

Mailing Address:
PO BOX 9431 Stn Prov Govt.
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard St.
Victoria BC
250 356-8626

2.

BC Company Summary

For IMOGO MOBILE TECHNOLOGIES CORP.

Date and Time of Search: April 16, 2012 08:57 AM Pacific Time

Currency Date: February 20, 2012

ACTIVE

Incorporation Number: BC0803791

Name of Company: IMOGO MOBILE TECHNOLOGIES CORP.

Recognition Date and Time: Incorporated on September 26, 2007 04:36 PM Pacific Time In Liquidation: No

Last Annual Report Filed: September 26, 2010 Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
600 - 1090 WEST GEORGIA STREET
VANCOUVER BC V6E 3V7
CANADA

Delivery Address:
600 - 1090 WEST GEORGIA STREET
VANCOUVER BC V6E 3V7
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
600 - 1090 WEST GEORGIA STREET
VANCOUVER BC V6E 3V7
CANADA

Delivery Address:
600 - 1090 WEST GEORGIA STREET
VANCOUVER BC V6E 3V7
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
Irvine, Stewart E

Mailing Address:
26123 126 AVE
MAPLE RIDGE BC V2W 1C4
CANADA

Delivery Address:
26123 126 AVE
MAPLE RIDGE BC V2W 1C4
CANADA

OFFICER INFORMATION AS AT September 26, 2010

Last Name, First Name, Middle Name:

IRVINE, STEWART

Office(s) Held: (CEO)

Mailing Address:

26123 126 AVENUE
MAPLE RIDGE BC V2W 1C4
CANADA

Delivery Address:

26123 126 AVENUE
MAPLE RIDGE BC V2W 1C4
CANADA

BC Registry
Services

CORPORATE ONLINE

Help
View
Print

▼ main

▼ menu

▼ your work

▼ your companies

Corporate Information

Back

New Search

Date and Time of Search:

April 16, 2012 8:56 AM Paci

Currency Date:

February 20, 2012

Paper filings received at the Corporate Registry after the currency date will be included in the search results.

Active

HELP ?

Number: BC0803791

Name: IMOGO MOBILE TECHNOLOGIES CORP.

Type: BC Company

Business Number: 842160350BC0001

This company is not in good standing.

There is a \$7 charge to view any or all electronic documents listed

HELP ?

below including the Corporate Summary.

Documents that are available on paper only may be accessed at the Corporate Registry for a fee.

Proceed to
PaymentHow long can I view documents after I pay?

Corporate Summary

Click the "View Corporate Summary" button below to see a summary of information about the company, including office addresses and directors.

HELP ?

View Corporate Summary

Corporate History

HELP ?

Corporate History	Date and Time Filed (Pacific Time)	Details	View Documents
BC Annual Report - SEP 26, 2010	February 02, 2011 12:16 PM		<u>BC Annual Report - SEP 26, 2010</u>

		Amendment - October 08, 2010 2:41 Share Structure PM	Document Amended: <u>NOTICE OF ALTERATION</u> View Comments	Available on paper only Notice of Articles
		Amendment - October 08, 2010 2:28 Share Structure PM	Document Amended: <u>NOTICE OF ALTERATION</u> View Comments	Available on paper only Notice of Articles
You are currently logged in as:		Notice of Change of Address	August 17, 2010 3:37 PM	Effective Date: August 18, 2010 12:01 AM Notice of Change of Address Notice of Articles
px84000		Notice of Alteration	January 06, 2010 4:02 PM	View Comments Notice of Alteration Notice of Articles
Corporate Search		BC Annual Report - SEP 26, 2009	October 27, 2009 7:59 AM	BC Annual Report - SEP 26, 2009
Corporate Name Index		Notice of Change of Address	October 26, 2009 2:43 PM	Effective Date: October 27, 2009 12:01 AM Notice of Change of Address Notice of Articles
Corporate Information	Free	Notice of Alteration	July 15, 2009 12:22 PM	View Comments Notice of Alteration Notice of Articles
Corporate Summary		Notice of Alteration	January 27, 2009 9:46 AM	Notice of Alteration Notice of Articles
Corporate Name Index	Free	BC Annual Report - SEP 26, 2008	November 07, 2008 10:48 AM	BC Annual Report - SEP 26, 2008
Corporate Details and documents	\$7	Notice of Change of Address	October 29, 2007 3:52 PM	Effective Date: October 30, 2007 12:01 AM Notice of Change of Address Notice of Articles
colin 4.3.1 - 1564		Incorporation Application	September 26, 2007 4:36 PM	Incorporation Application Notice of Articles Certificate
HELP DESK: (250) 953-8200 or 1-800-663-6102 (Toll free in BC only)				
April 16, 2012 8:56 AM				



This is Exhibit "B" referred to in the affidavit of Chris Hill,
sworn before me at Vancouver, in the Province of British
Columbia, this 19th day of April, 2013



A Commissioner for taking Affidavits
for British Columbia

LOAN AGREEMENT

THIS AGREEMENT dated for reference April 23, 2012
BETWEEN:

IMOGO MOBILE TECHNOLOGIES CORP., a company having an office at Suite 203, 4211 Kingsway Avenue, Burnaby, British Columbia, V5H 1Z6

(the "Borrower")

AND:

ESPRESSO CAPITAL PARTNERS TAX CREDIT II FUND LIMITED PARTNERSHIP, a British Columbia limited partnership having an office at 400 - 999 West Hastings Street, Vancouver, British Columbia V6C 2W2

(the "Lender")

WHEREAS:

A. The Lender has agreed to make a loan in the amount of up to \$200,000 to the Borrower and as security therefor, the Borrower has agreed to provide the Lender with a general security agreement whereby the Borrower grants to the Lender a security interest in all of the Borrower's present and after-acquired personal property; and

B. The parties wish to record the terms and conditions of their agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that pursuant to the premises and in consideration of the mutual covenants hereinafter contained and the agreement of the Lender to advance funds to the Borrower, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereto covenant and agree as follows:

1. LOAN

1.1 **Loan.** The Lender agrees to lend to the Borrower the principal sum of up to \$200,000 (the "Principal" or the "Loan").

1.2 **Advance.** Subject to the other provisions of this Agreement, on or about April 23, 2012 (the "Closing Date") the Lender or its counsel shall advance the Principal to the Borrower's solicitors, Beadle Woods, Business Lawyers (the "Borrower Counsel"), "In Trust", less such deductions as authorized by the Borrower pursuant to a direction signed by the Borrower and addressed to the Lender, the Lender's counsel and Borrower Counsel and dated of even date herewith.



1.3 **Interest.**

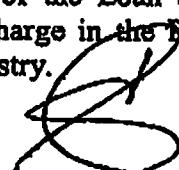
- (a) The Principal shall accrue interest from the Closing Date and up to the date of full repayment of the Loan at a rate of 2.25% per month (or 30.60% per annum) calculated and compounded monthly, not in advance.
- (b) Notwithstanding the foregoing Section 1.3(a), if the Borrower repays the outstanding balance of the Loan at any time within four months after the Closing Date, then the Loan shall accrue interest for an amount that is equal to the interest that would otherwise have accrued on the Principal for the four months' period after the Closing Date pursuant to Section 1.3(a).

1.4 **Promissory Note.** The Loan shall be evidenced by a promissory note (the "Promissory Note") issued by the Borrower in favour of the Lender in the amount of the Principal. Amounts payable under the Promissory Note shall be made in accordance with Section 1.5.

1.5 **Repayment.** Subject to other terms and conditions of this Agreement:

- (a) the Loan and interest accrued thereon may be repaid, in whole but not in part, by the Borrower at any time;
- (b) if the Loan and interest accrued thereon have not been repaid at such time that the Borrower or its agent receives the refund claimed by the Borrower from Government of Canada (or any agency of the Government of Canada) for the Borrower's T661 Scientific Research and Experimental Development (SR&ED) Expenditures Claim (the "SRED Claim") for the Borrower's 2011 fiscal year, then the outstanding balance of the Loan and interest accrued thereon shall be paid from the proceeds of the SRED Claim refund within two business days after the receipt thereof;
- (c) if the SRED Claim refund has been issued and such refund is not sufficient to repay the Loan and interest accrued thereon, then the outstanding balance of the Loan and interest accrued thereon shall be immediately due and payable on the date the SRED Claim refund is received;
- (d) if the SRED Claim refund is denied in full, then the outstanding balance of the Loan and interest accrued thereon shall be immediately due and payable; and
- (e) if the Loan and interest accrued thereon have not been repaid within 12 months after the Closing Date, then the outstanding balance of the Loan and interest accrued thereon shall be immediately due and payable on that date.

Upon the full repayment of the Loan and interest accrued thereon, the Lender will sign and deliver to the Borrower Counsel a release and authorization, in form as prepared by or at the expense of the Borrower, to evidence the repayment of the Loan and the discharge of the Security and to authorize the filing of any discharge in the Personal Property Registry of British Columbia and any other applicable registry.



1.6 Manner of Payments. All payments to be made by the Borrower to the Lender under this Agreement shall be made to the Lender by wire transfer, cheque, direct deposit or bank draft in immediately available funds to such account or accounts of the Lender as the Lender may direct from time to time.

1.7 Allocation of Payments. All payments made by the Borrower to the Lender under this Agreement shall be applied by the Lender as it may in its absolute discretion determine or as follows:

- (a) in payment of all costs, charges, and expenses, including Collection Costs (as hereinafter defined) and legal fees and disbursements (on a solicitor and own client basis) incurred by the Lender following an Event of Default hereunder;
- (b) in or toward payment to the Lender of the principal amount of the Loan; and
- (c) in or toward payment to the Lender of all interest remaining unpaid on the Loan.

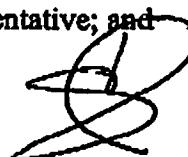
1.8 Criminal Code Compliance. In this Section 1.8, the terms "interest", "criminal rate" and "credit advanced" have the meanings ascribed to them in s. 347 of the *Criminal Code* (Canada) as amended from time to time. The Borrower and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:

- (a) the elements of return which fall within the term "interest" shall be reduced to the extent necessary to eliminate such excess;
- (b) any remaining excess that has been paid will be credited towards prepayment of the Principal; and
- (c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand,

and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties.

1.9 Fees. The Borrower agrees to pay ECP Services Partnership (the "Lender's Representative"), acting for and on behalf of the Lender:

- (a) a commitment fee of 5% of the Principal plus applicable taxes thereon (the "Commitment Fee") by directing the Lender to deduct from the Principal the Commitment Fee, less the deposit of \$3000 previously paid by the Borrower to the Lender pursuant to the term sheet between the Borrower and the Lender dated March 26, 2012, and delivering the same to the Lender's Representative; and



- (b) if the Borrower has not filed by April 30, 2012 (the "Filing Deadline") the SRED Claim and the T2 Corporate Income Tax Return for the Borrower's 2011 fiscal year, a late filing fee of \$10,000.00 plus applicable taxes thereon on the date immediately following the Filing Deadline.

2. SECURITY

2.1 The Loan advanced, all interest accrued thereon and all other amounts payable in connection therewith shall be secured by:

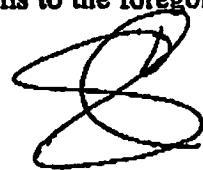
- (a) a security agreement in the form approved by the Lender, with such amendments, modifications or supplements as the parties may agree to from time to time, whereby the Borrower will grant to the Lender a security interest in all of the Borrower's present and after-acquired personal property; and
- (b) a personal guarantee, limited to \$50,000, granted by Stewart Irvine, in the form approved by the Lender;

(collectively, the "Security")

3. REPRESENTATIONS AND WARRANTIES

3.1 The Borrower hereby makes the following representations and warranties as of the Closing Date:

- (a) the Borrower is duly incorporated and it is in good standing under the laws of British Columbia;
- (b) the Borrower's place of business, or, if there is more than one place of business, chief executive office (for the purpose of section 7(1) of the *Personal Property Security Act* (British Columbia)) is in the Province of British Columbia;
- (c) the Borrower is a Canadian Controlled Private Corporation as defined under the *Income Tax Act* (Canada);
- (d) the Borrower has carried on its business in a manner that is consistent with the provisions under the *Income Tax Act* (Canada) and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claim;
- (e) save for any amounts due to CRA which are to be paid from the proceeds of the Loan, the Borrower has deducted, paid, and/or remitted all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower or otherwise under any legislation including the *Income Tax Act* (Canada), *Excise Tax Act* (Canada), *Canada Pension Plan*, *Employment Insurance Act* (Canada), *Income Tax Act* (British Columbia), *Workers Compensation Act* (British Columbia), *Social Services Tax Act* (British Columbia) or any regulations to the foregoing or



under any other legislation, rule or order, to any taxing authority having jurisdiction, and there are no liens for taxes payable by the Borrower;

- (f) all information and other facts that have been or will be disclosed to the Lender by or on behalf of the Borrower or its principal(s) in connection with this Agreement and the Loan, including, without limitation, those disclosed in the preliminary due diligence process conducted by or for the Lender, are, or will be, when furnished, complete and correct, and they do not, or will not, when furnished, contain any untrue statement or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are, or will be, made;
- (g) the borrowing and the granting of security contemplated herein, and the execution, delivery and performance by the Borrower of this Agreement and all other documents to be delivered pursuant hereto have been duly authorized by all necessary corporate proceedings of the Borrower, and will not cause a breach of or constitute a default under the Borrower's constating documents or any agreement or instrument to which the Borrower is a party;
- (h) there are no known or, to the knowledge of the Borrower, probable instances of non-compliance by the Borrower with the requirements of any regulatory and governmental authorities that are applicable to the Borrower, its assets, its subsidiaries (if any) or their assets; and
- (i) there are no actions, suits or proceedings, by or on behalf of any government authority or otherwise, pending or, to the knowledge of the Borrower, threatened against or affecting, or which could affect, the Borrower, its assets, its subsidiaries (if any) or their assets.

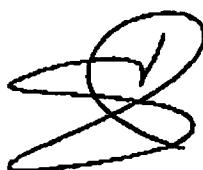
4. COVENANTS

4.1 The Borrower covenants and agrees with the Lender that, so long as the Loan or any part thereof shall be outstanding, the Borrower will do the following:

- (a) forthwith upon becoming aware of an Event of Default (as defined in Section 5.1), or becoming aware of any event which would, with notice, lapse of time or both, constitute an Event of Default, give to the Lender notice of such Event of Default or event;
- (b) maintain adequate records and books of account reflecting all financial transactions in conformity with generally accepted accounting principles and, when requested, forthwith make available for inspection by duly authorized representatives of the Lender any of its books and records and furnish the Lender with any information regarding its business affairs and financial condition;
- (c) save for any amounts due to CRA which are to be paid from the proceeds of the Loan, maintain any and all tax obligations of the Borrower with Canada Revenue Agency and any other applicable tax authority current and in good standing;



- (d) make such filings as are required by or under, and deduct, pay, and/or remit all taxes, premiums, contributions, levies, fees and other amounts which the Borrower is required to deduct at source, pay and/or remit by or on behalf of the Borrower by or under, the legislation and regulations set out in Section 3.1(e) above or under any other legislation, regulations, rule or order, to any applicable authority having jurisdiction;
- (e) on the last day of each calendar quarter (or such other period as the Lender may reasonably request) cause its President or Chief Executive Officer to execute and deliver to the Lender a compliance certificate in form and content as prescribed by the Lender from time to time (such certificate, the "Compliance Certificate") certifying certain matters as of that date;
- (f) respond promptly and fully to any request received from the Canada Revenue Agency and any other applicable tax authority;
- (g) immediately notify, or cause the notification of, the Lender of the receipt of the SRED Claim refund described in Section 1.5(b) above and the amount thereof;
- (h) provide monthly (or such greater period as the Lender may request) updates to the Lender with respect to the projected cash flow of the Borrower;
- (i) authorize the Lender to contact Canada Revenue Agency and any other applicable tax authority on behalf of the Borrower in respect of the SRED Claim;
- (j) notify and direct Canada Revenue Agency that all notices, directions, refunds and other correspondence regarding the Borrower and its accounts with Canada Revenue Agency are to be delivered to the care of the Borrower Counsel, not change such notification and direction without the prior written consent of the Lender and, to the extent such correspondence is delivered to the Borrower, forward or cause to be forwarded to the Borrower Counsel any such correspondence, with a copy of same to the Lender, immediately upon receipt of same by the Borrower;
- (k) continue to disclose to the Lender all material information or facts that could materially adversely affect the eligibility of the SRED Claim;
- (l) carry on its business in a manner that is consistent with the provisions under the *Income Tax Act* (Canada) and other applicable legislation and the regulations thereto, including, without limitations, such provisions that could bear upon or materially affect the eligibility of the SRED Claim;
- (m) prepare and file, or cause the preparation and filing of, its SRED Claim in a professional and diligent manner and in full compliance with the requirements and provisions of the *Income Tax Act* (Canada) and other applicable legislation and the regulations thereto;



- (n) if the SRED Claim is being audited or otherwise denied by the Canada Revenue Agency, immediately inform the Lender of such audit or denial and engage an independent SR&ED consulting organization (the "SRED Consultant") acceptable to the Lender, in its sole discretion acting reasonably, to assist in respect of the SRED Claim;
- (o) not, without the prior written consent of the Lender, make any payments, repayments, loans, advances, bonuses or otherwise provide any financial assistance to any of its affiliates, shareholders, directors, officers, employees or other non-arm's length parties or make any investments therein or grant any security or enter into any transactions with any of them, save for salaries and other benefits payable to employees in the normal course of business; and
- (p) do all acts and execute all instruments that are necessary to facilitate the filing, processing, receipt and disbursement of the refund of the SRED Claim, including without limitation, the endorsement of any cheque or other payment instrument issued to the Borrower in respect of such refund.

5. EVENTS OF DEFAULT

5.1 **Events of Default.** Each of the following events shall constitute an "Event of Default" under this Agreement unless (i) within fifteen (15) days after notice from the Lender the default specified in such notice has been cured, or (ii) the Lender agrees to waive such default:

- (a) the Borrower fails to repay the Loan, or any part thereof, to the Lender when due in the manner provided herein;
- (b) the Borrower fails to pay interest or fees payable in respect of the Loan when due in accordance with the terms and conditions herein contained;
- (c) any of the representations and warranties made in Section 3 above is incorrect when made, or the Borrower has failed to disclose any material information or facts that may materially adversely affect the eligibility of its SRED Claim;
- (d) the Borrower defaults in the performance of any other term, covenant, condition, agreement, undertaking or provision of this Agreement;
- (e) an order is made or a resolution is passed for the liquidation or winding-up of the Borrower;
- (f) the Security or the security interest created therein becomes invalid, unenforceable or unperfected;
- (g) the SRED Claim is, in the sole opinion of the Lender acting reasonably, substantially impaired or in jeopardy; or



(h) the Borrower becomes insolvent, admits in writing its inability to pay its debts as they become due or otherwise acknowledges its insolvency, commits an act of bankruptcy, makes an assignment or bulk sale of its assets, is adjudged or declared bankrupt or makes an assignment for the benefit of creditors or a proposal or similar action under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or any similar legislation, or commences any other proceedings relating to it under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or thereafter in effect, or consents to any such proceedings.

5.2 Remedies For Events of Default. Upon the occurrence of an Event of Default, the Lender may do any or all of the following:

- (a) if the Lender has not advanced the Principal, declare that the Loan is cancelled and the Lender will no longer have any obligation to advance the Principal;
- (b) declare immediately due and payable the outstanding balance of the Loan and any accrued interest thereon without presentment of any notes evidencing the same, and without demand, protest or other notices of any kind, all of which are hereby expressly waived;
- (c) exercise any and all rights, powers, remedies and recourses available to the Lender under this Agreement, under the Security, at law, in equity or otherwise.

5.3 Collection Costs. Upon the occurrence of an Event of Default the Lender may charge the Borrower, on account of costs reasonably incurred by the Lender, \$150.00 per hour (the "Collection Costs") for each person who is thereafter engaged on the Lender's behalf monitoring the Borrower's affairs or the status of the SRED Claim, negotiating with Canada Revenue Agency or otherwise working to collect the Loan, the aggregate amount of which is payable on demand and secured by the Security.

5.4 Waiver of Default. The Lender may by written instrument in its absolute discretion at any time and from time to time waive any Event of Default or any breach by the Borrower of any of the covenants herein, provided that any such waiver shall not be a continuing waiver and shall not constitute a waiver of any other term or provision hereof.

5.5 No Waiver. No failure or delay on the part of the Lender in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which the Lender would otherwise have. The acceptance by the Lender of any payment of or on account of the Loan after a default or of any payment on account of any partial default shall not be construed to be a waiver of any right in relation to any future default or any past default not completely cured thereby. The Lender may exercise any and all rights, powers, remedies and

recourses available to it under this Agreement, or any other remedy available to it, concurrently or individually without the necessity of an election.

6. CONDITIONS PRECEDENT

Notwithstanding any other provisions in this Agreement, the Lender shall have no obligation to advance pursuant to Section 1.2 above unless and until the following conditions shall have been satisfied as of the Closing Date (or waived by the Lender):

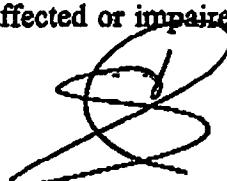
- (a) no Event of Default or event that with notice, lapse of time or both would result in an Event of Default has occurred;
- (b) a Compliance Certificate has been executed and delivered to the Lender by the President or the Chief Executive Officer of the Borrower;
- (c) satisfactory completion of due diligence by the Lender, including, without limitation, review of all documentation related to the SRED Claim;
- (d) an acknowledgement and consent to the Loan by any and all secured or unsecured lenders to the Borrower, in form and content satisfactory to the Lender;
- (e) any and all tax obligations of the Borrower with Canada Revenue Agency and any other applicable tax authority remaining current and in good standing;
- (f) execution and delivery of the Security and registration of the Security at the Personal Property Registry of British Columbia and other applicable public registry in any applicable jurisdictions in order to perfect the Security;
- (g) execution and delivery of this Agreement, the Promissory Note and all other documents and instruments as required by the Lender and its legal counsel; and
- (h) authorization, including, without limitation, the Business Consent Form (RC-59), signed by the Borrower appointing the Lender's Representative as its agent to deal with Canada Revenue Agency and any other applicable tax authority on behalf of the Borrower.

7. GENERAL

7.1 **Currency.** All references to dollars or currency in this Agreement are to Canadian dollars.

7.2 **Governing Law.** This Agreement shall in all respects be governed by and be construed in accordance with the laws of British Columbia.

7.3 **Severability.** If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired.



thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

7.4 **Headings.** The headings to the clauses of this Agreement are inserted for convenience only and shall not affect the construction hereof.

7.5 **Notice.** Any notice required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same to the addresses of the other parties as set forth on the first page hereof. Any notice given as aforesaid shall be deemed conclusively to have been received on the date of delivery of the same. Any party may change its address for service at any time by giving written notice thereof to the other parties in accordance with the provisions of this paragraph.

7.6 **Co-operation.** Each of the parties shall execute all such further documents and do all such further things as may reasonably be required by another party in order to give full effect to this Agreement.

7.7 **Fees and Expenses.** The Borrower shall pay on the Closing Date all reasonable legal and other fees and disbursements of the Lender in respect of the Loan including the preparation, execution and carrying out of this Agreement and the Security, up to a maximum of \$_____ inclusive of fees, disbursements and taxes.

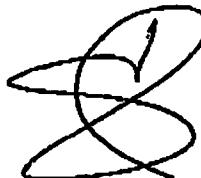
7.8 **No Prejudice.** Nothing contained in this Agreement shall prejudice or impair any other right or remedy which the Lender may otherwise have with respect to the Loan hereunder or any rights or remedies the Lender may have with respect to other loans which may be made to the Borrower.

7.9 **Assignment.** The Borrower shall have no right to assign or transfer its rights or obligations hereunder or under any portion of the Loan unless with the Lender's prior written consent. The Lender may assign all or any part of its rights or obligation hereunder or under any portion of the Loan at any time without the Borrower's consent.

7.10 **Enurement.** This Agreement shall be binding upon and enure to the benefit of the Borrower and the Lender and their respective successors, executors, administrators, and personal representatives, as applicable.

7.11 **Conflict.** In the event of a conflict between the provisions of this Agreement and the Security, the terms of this Agreement will prevail.

7.12 **Delivery.** This Agreement may be delivered in counterparts and by facsimile transmission or in file of Portable Document Format (PDF) attached to an email, with the same effect as if all parties had all signed an original copy of the same document and all counterparts will be construed together as one and the same agreement.



7.13 Time. Time shall be of the essence of this Agreement.

AS EVIDENCE OF THEIR AGREEMENT the parties hereto have caused this Agreement to be executed and delivered as of this 23rd day of April, 2012.

**IMO GO MOBILE TECHNOLOGIES
CORP.**

Per:



Authorized Signatory
Name: Stewart Trussell

**ESPRESSO CAPITAL PARTNERS
TAX CREDIT II FUND LIMITED
PARTNERSHIP, by its general partner
ESPRESSO CAPITAL PARTNERS GP
INC.**

Per:

Authorized Signatory
Name: _____

- 11 -

7.13 Time. Time shall be of the essence of this Agreement.

AS EVIDENCE OF THEIR AGREEMENT the parties hereto have caused this Agreement to be executed and delivered as of this 23rd day of April, 2012.

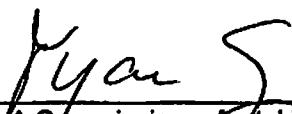
**IMOGO MOBILE TECHNOLOGIES
CORP.**

Per: _____
 Authorized Signatory
Name: _____

**ESPRESSO CAPITAL PARTNERS
TAX CREDIT II FUND LIMITED
PARTNERSHIP, by its general partner
ESPRESSO CAPITAL PARTNERS GP
INC.**

Per: Greg Smith
 Authorized Signatory
Name: Greg Smith

This is Exhibit "C" referred to in the affidavit of Chris Hill,
sworn before me at Vancouver, in the Province of British
Columbia, this 19th day of April, 2013



A Commissioner for taking Affidavits
for British Columbia

PROMISSORY NOTE

Principal Sum: \$200,000

Date of Advance: April ___, 2012

FOR VALUE RECEIVED, the undersigned (the "Borrower") promises to pay to or to the order of **ESPRESSO CAPITAL PARTNERS TAX CREDIT II FUND LIMITED PARTNERSHIP** (the "Lender") at 400 - 999 West Hastings Street, Vancouver, British Columbia V6C 2W2 or such other place as the Lender may designate from time to time the principal sum of two hundred thousand Dollars (\$200,000) in lawful money of Canada (the "Principal Sum") and interest accrued thereon upon and subject to the terms and conditions set out in the loan agreement dated for reference April 23, 2012 between the Borrower and the Lender (the "Loan Agreement"), in accordance with and subject to the terms and conditions set out in the Loan Agreement.

In addition, the Borrower agrees that:

- (a) if any payment is not made when due and payable under this Promissory Note, interest shall accrue thereon and be paid in the same manner as the interest payable on the Principal Sum pursuant to Section 1.3 of the Loan Agreement; and
- (b) in the event of failure of the Borrower to make any payment as and when required to be paid under this Promissory Note, the Lender may declare the unpaid amount and any accrued interest due and payable forthwith and without demand.

The Borrower waives presentment for payment, protest or notice of protest, or notice of dishonour of this Promissory Note.

**IMOOGO MOBILE TECHNOLOGIES
CORP.**

Per:

Authorized Signatory

This is Exhibit "D" referred to in the affidavit of Chris Hill,
sworn before me at Vancouver, in the Province of British
Columbia, this 19th day of April, 2013



A Commissioner for taking Affidavits
for British Columbia

GENERAL SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated for reference April 23, 2012

BETWEEN:

IMOGO MOBILE TECHNOLOGIES CORP., a company having an office at Suite 203, 4211 Kingsway Avenue, Burnaby, British Columbia V5H 1Z6

(the "Debtor")

AND:

ESPRESSO CAPITAL PARTNERS TAX CREDIT II FUND LIMITED PARTNERSHIP, a British Columbia limited partnership having an office at 400 - 999 West Hastings Street, Vancouver, British Columbia V6C 2W2

(the "Secured Party")

FOR VALUE RECEIVED, the Debtor covenants, agrees, warrants, represents, acknowledges, and confirms to and with the Secured Party and creates and grants the mortgages, charges, transfers, assignments, and security interests as follows:

1. Security Interest

As security for the payment and performance of the Obligations (as defined in paragraph 3), the Debtor, subject to the exceptions set out in paragraph 2, does:

1.1 Grant to the Secured Party a security interest in, and mortgages, charges, transfers and assigns absolutely, all of the Debtor's present and after acquired personal property, and all personal property in which the Debtor has rights, of whatever nature or kind and wherever situate, including, without limitation, all of the following now owned or in future owned or acquired by or on behalf of the Debtor:

(a) all goods, including:

(i) all inventory of whatever kind and wherever situate, including, without limitation, goods acquired or held for sale or lease or furnished or to be furnished under contracts of rental or service, all raw materials, work in progress, finished goods, returned goods, repossessed goods, and all packaging materials, supplies, and containers relating to or used or consumed in connection with any of the foregoing (collectively the "Inventory");

- (ii) all equipment of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, fixtures, furniture, furnishings, chattels, motor vehicles, vessels, and other tangible personal property of whatever nature or kind (collectively the "Equipment");
- (b) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action, and demands of every nature and kind however arising or secured, including letters of credit and advices of credit, which are now due, owing, or accruing, or growing due to, or owned by, or which may in future become due, owing, or accruing, or growing due to, or owned by the Debtor (the "Accounts");
- (c) all contractual rights, insurance claims, licences, goodwill, patents, trademarks, trade names, copyrights, and other industrial or intellectual property of the Debtor or in which the Debtor has an interest, all other choses in action of the Debtor of every kind which now are, or which may in future be, due or owing to or owned by the Debtor, and all other intangible property of the Debtor which is not Accounts, Chattel Paper, Instruments, Documents of Title, Investment Property, or Money;
- (d) all Money;
- (e) the undertaking of the Debtor;
- (f) all Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Investment Property now owned or in future owned or acquired by or on behalf of the Debtor (including those returned to or repossessed by the Debtor) and all other goods of the Debtor that are not Equipment, Inventory, or Accounts;
- (g) all proceeds, renewals, and accretions, and substitutions of any of the foregoing; and
- (h) all deeds, documents, writings, papers, books of account, and other books and electronically recorded data relating to any of the foregoing or by which any of the foregoing is or may in future be secured, evidenced, acknowledged, or made payable,
- (collectively, the "Collateral").

The mortgages, charges, assignments and transfers and security interests created or granted pursuant to this Section 1.1 hereof are hereinafter collectively called the "Security Interest".



2. Exceptions and Definitions

The Security Interest granted by this Agreement shall not extend or apply to and the Collateral shall not extend to the last day of the term of any lease or agreement to lease real property, but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in trust to assign and dispose thereof as the Secured Party shall direct.

The terms "Chattel Paper", "Document of Title", "Equipment", "Consumer Goods", "Instrument", "Intangible", "Investment Property", "Proceeds", "Inventory", "Accessions", "Money", "financing statement", "financing change statement", "verification statement", and "control" shall, unless otherwise defined in this Agreement or otherwise required by the context, be interpreted according to their respective meanings as set out in the *Personal Property Security Act* (British Columbia), as amended and all regulations thereunder (collectively, the "Act").

Any reference in this Agreement to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The Collateral shall not include Consumer Goods of the Debtor.

The term "Proceeds", whenever used and interpreted as above, shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts, and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected, or otherwise disposed of. The term "licence" means any licence or similar right at any time owned or held by the Debtor including without limitation a "licence" as defined in the Act, and the meaning of the term "crops" whenever used in this Agreement includes but is not limited to "crops" as defined in the Act.

3. Obligations Secured

This Agreement and the Security Interest are in addition to and not in substitution for any other security interest now or in future held by the Secured Party from the Debtor or from any other person and shall be general and continuing security for the payment of all indebtedness and liability of the Debtor to the Secured Party (including interest thereon), present or future, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, wherever and however incurred, and any ultimate balance thereof, including all advances on current or running account and all future advances and re-advances, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor be bound alone or with another or others, and whether as principal or surety, and for the performance and satisfaction of all obligations of the Debtor to the Secured Party, whether or not contained in this Agreement, and whether the Debtor be bound alone or with another or others (all of which indebtedness, liability, and obligations are collectively the "Obligations").

4. Prohibitions

Without the prior written consent of the Secured Party, the Debtor shall not and shall not have power to:

- (a) grant, create, or permit to be created any security interest in, charge, encumbrance, or lien over, or claim against any of its property, assets, or undertakings that rank or could rank in priority to or pari passu with the Security Interest, unless as otherwise set out in Schedule A hereto;
- (b) grant, sell, or otherwise assign its Chattel Paper; or
- (c) issue or have outstanding at any time any secured or unsecured bonds, debentures, debenture stock, or other evidences of indebtedness of the Debtor or of any predecessor in title of the Debtor issued under a trust deed or other instrument running in favour of a trustee.

5. Attachment

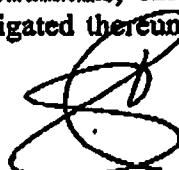
The Debtor acknowledges and confirms that:

- (a) there is no intention to delay the time of attachment of the Security Interest created by this Agreement, and the Security Interest shall attach at the earliest time permissible under the laws governing this Agreement;
- (b) that value has been given; and
- (c) that the Debtor has (or in the case of any after acquired property, will have at the time of acquisition) rights in the Collateral.

6. Representations and Warranties

6.1 The Debtor represents and warrants to the Secured Party that:

- (a) if the Debtor is a company or a partnership, this Agreement is granted in accordance with resolutions of the directors (and of the shareholders, as applicable) or of the partners, as the case may be, of the Debtor, and that all other matters and things have been done and performed so as to authorize and make the execution and delivery of this Agreement, and the performance of the Debtor's obligations hereunder, legal, valid, and binding;
- (b) the Debtor lawfully owns and possesses all presently held Collateral and has good title thereto, free from all security interests, charges, encumbrances, liens, and claims, save only the charges or security interests, if any, shown in Schedule A to this Agreement and those consented to in writing by the Secured Party, and the Debtor has good right and lawful authority to grant a security interest in the Collateral as provided by this Agreement;
- (c) where the Collateral includes Accounts, Chattel Paper, or Instruments, each is enforceable in accordance with its terms against the party obligated thereunder,



and that the Debtor has fully and accurately disclosed to the Secured Party the amount owing thereunder and any other relevant information concerning liability for payment thereunder;

- (d) where the Collateral includes investment property, the Debtor has not given control of the investment property to any person.
- (e) for goods constituting Collateral, the Debtor has in this Agreement or elsewhere fully and accurately disclosed to the Secured Party the locations thereof and of the business operations and records of the Debtor.

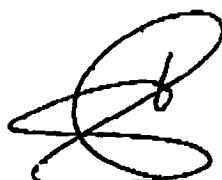
7. Covenants of the Debtor

7.1 The Debtor covenants with the Secured Party that at all times while this Agreement remains in effect the Debtor shall:

- (a) defend the title to the Collateral for the benefit of the Secured Party against the claims and demands of all persons;
- (b) fully and effectually maintain and keep maintained the validity and effectiveness of the Security Interest;
- (c) maintain the Collateral in good order and repair;
- (d) forthwith pay:
 - (i) all taxes, assessments, rates, duties, levies, government fees, claims, dues and other charges of every nature that may be lawfully levied, assessed, or imposed upon it or the Collateral when due, unless the Debtor shall in good faith contest its obligations to so pay and shall furnish such security as the Secured Party may require; and
 - (ii) all security interests, charges, encumbrances, liens and claims that rank or could in any event rank in priority to the Security Interest, other than the charges or security interests, if any, shown in Schedule A to this Agreement and those consented to in writing by the Secured Party;
- (e) forthwith reimburse and indemnify the Secured Party for all reasonable costs, charges, expenses, and legal fees and disbursements that may be incurred by the Secured Party in:
 - (i) negotiating, preparing, perfecting, and registering this Agreement or notice of it and other documents, whether or not relating to this Agreement;
 - (ii) taking, recovering, keeping possession of, and insuring the Collateral, and

- (iii) all other reasonable actions and proceedings taken in connection with the preservation of the Collateral and the enforcement of this Agreement and of any other Security Interest held by the Secured Party as security for the Obligations;
- (f) at the Secured Party's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Secured Party in its absolute discretion requires in order to confirm and perfect, and maintain perfection of, the Security Interest in favour of the Secured Party upon any of the Collateral;
- (g) notify the Secured Party promptly of:
- (i) any change in the information contained in this Agreement relating to the Debtor, its address, its business, or the Collateral, including without limitation any change of name or address of the Debtor and any change in location of any Collateral;
 - (ii) the details of any material acquisition of Collateral;
 - (iii) any material loss or damage to the Collateral;
 - (iv) any material default by any account debtor in payment or other performance of his or her obligations to the Debtor with respect to any Accounts;
 - (v) the return to or repossession by the Debtor of the Collateral where such return or repossession of the Collateral is material in relation to the business of the Debtor; and
 - (vi) the details of any claims or litigation affecting the Debtor or the Collateral;
- (h) prevent the Collateral, other than Inventory sold, leased, or otherwise disposed of as permitted by this Agreement, from being or becoming an accession to other property not covered by this Agreement;
- (i) permit the Secured Party and its representatives, at all reasonable times, upon reasonable notice, access to all its property, assets, and undertakings and to all its books of account and records for the purpose of inspection, and render all assistance necessary for such inspection; and
- (j) deliver to the Secured Party from time to time promptly upon request:
- (i) any Documents of Title, Instruments, certificated Securities, and Chattel Paper constituting, representing, or relating to Collateral;

- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists, and other writings relating to the Collateral for the purpose of inspecting, auditing, or copying;
 - (iii) account control agreements in respect of Investment Property, in form and substance satisfactory to the Secured Party;
 - (iv) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (v) all policies and certificates of insurance relating to the Collateral; and
 - (vi) any information concerning the Collateral, the Debtor, and the Debtor's business and affairs as the Secured Party may reasonably require;
- (k) carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral;
- (l) where the Collateral is Investment Property, shall prevent any party other than the Secured Party from having control;
- (m) observe and perform the additional covenants, if any, set out in any schedule attached to this Agreement.
- 7.2 The Debtor covenants that at all times while this Agreement remains in effect, without the prior written consent of the Secured Party, it shall not
- (a) declare or pay any dividends or repay any shareholder loans;
 - (b) purchase or redeem any of its shares or otherwise reduce its share capital;
 - (c) become guarantor of any obligation; or
 - (d) become an endorser of any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to any bank accounts of the Debtor.
- 7.3 Except as provided in this Agreement, without the prior written consent of the Secured Party, the Debtor shall not except in the ordinary course of business:
- (a) sell, lease, or otherwise dispose of the Collateral;
 - (b) release, surrender, or abandon possession of the Collateral; or



- (c) move or transfer the Collateral from the jurisdiction or jurisdictions in which the Security Interest has been perfected.
- 7.4 Provided that the Debtor is not in default under this Agreement, at any time without the consent of the Secured Party the Debtor may lease, sell, license, consign, or otherwise deal with items of Inventory in the ordinary course of its business and for the purposes of carrying on its business.
- 7.5 The Debtor covenants that to the extent that any monies, credit, or other consideration provided by the Secured Party has enabled the Debtor to purchase or acquire rights in any personal property or assets, the Security Interest is and shall remain a purchase money security interest.
- 8. Insurance**
- 8.1 The Debtor covenants that at all times while this Agreement is in effect the Debtor shall:
- (a) maintain or cause to be maintained insurance on the Collateral with an insurer, of kinds, for amounts and payable to such person or persons, all as the Secured Party may require, and in particular but without limitation maintain insurance on the Collateral to its full insurable value against loss or damage by fire including extended coverage endorsement, and in the case of motor vehicles and other mobile Collateral, maintain insurance against theft;
 - (b) upon written request of the Secured Party cause the insurance policy or policies required under this Agreement to be assigned to the Secured Party and have as part thereof a standard mortgage clause or a mortgage endorsement, as appropriate; and
 - (c) pay all premiums in connection with such insurance, and deliver all such policies to the Secured Party, if it so requires.
- 8.2 If proceeds of any insurance required under this Agreement become payable, after any default, the Secured Party may, in its absolute discretion, apply those proceeds to such part or parts of the Obligations as the Secured Party may see fit, or the Secured Party may release any such insurance proceeds to the Debtor for the purpose of repairing, replacing, or rebuilding, but any release of insurance proceeds to the Debtor shall not operate as a payment on account of the Obligations or in any way affect this Agreement.
- 8.3 The Debtor shall forthwith, on the happening of loss or damage to the Collateral, notify the Secured Party thereof and furnish to the Secured Party at the Debtor's expense any necessary proof and do any necessary act to enable the Secured Party to obtain payment of the insurance proceeds, but nothing contained in this Agreement shall limit the Secured Party's right to submit to the insurer a proof of loss on its own behalf.



- 8.4 The Debtor irrevocably authorizes and directs the insurer under any policy of insurance required under this Agreement to include the name of the Secured Party as a loss payee on any cheque or draft that may be issued with respect to a claim under and by virtue of such insurance, and the production by the Secured Party to any insurer of a certified copy of this Agreement shall be its full and complete authority for so doing.
- 8.5 If the Debtor fails to maintain insurance as required by this Agreement, the Secured Party may, but shall not be obliged to, maintain or effect such insurance coverage, or so much thereof as the Secured Party considers necessary for its protection.

9. Use and Verification of Collateral

Subject to compliance with the Debtor's covenants contained in this Agreement and compliance with paragraph 11 of this Agreement, the Debtor may, until default, possess, operate, collect, use and enjoy, and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions of this Agreement; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Secured Party may consider appropriate. The Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith, and for such purpose to grant to the Secured Party or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

10. Investment Property

If Collateral at any time includes Investment Property, the Debtor authorizes the Secured Party to transfer the same or any part of it into its own name or that of its nominee(s) so that the Secured Party or its nominee(s) may appear on record as the sole owner of it, or has sole rights to it, as applicable; provided that, until default, the Secured Party shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its order a proxy to vote and take all action with respect to such Investment Property. After default, the Debtor waives all rights to receive any notices or communications received by the Secured Party or its nominee(s) as such registered owner and agrees that no proxy issued by the Secured Party to the Debtor or its order as aforesaid shall thereafter be effective.

11. Collection of Debts

After default under this Agreement, without notice to the Debtor, the Secured Party may notify all or any account debtors of the Debtor of the Security Interest and may also direct such account debtors to make all payments on Collateral to the Secured Party. The Debtor acknowledges that any payments on or other proceeds of Collateral received by the Debtor from account debtors, whether before or after notification of this Security Interest to account debtors, shall be received and held by the Debtor in trust for the Secured Party and shall be turned over to the Secured Party upon request. This includes interest on deferred payment contracts, and the payments themselves, and lease payments, if any.



12. Income from and Interest on Collateral

- 12.1 Until default, the Debtor reserves the right to receive any money constituting income from or interest on Collateral and if the Secured Party receives any such money before default, the Secured Party shall either credit that money against the Obligations or pay it promptly to the Debtor.
- 12.2 After default, the Debtor shall not request or receive any money constituting income from or interest on Collateral and if the Debtor receives any such money in any event, the Debtor shall hold that money in trust for the Secured Party and shall pay it promptly to the Secured Party.

13. Increases, Profits, Payments, or Distributions

- 13.1 Whether or not default has occurred, the Debtor authorizes the Secured Party

- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of paragraph 12 of this Agreement and dealt with accordingly, and
- (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.

- 13.2 If the Debtor receives any such increase or profits (other than money) or payments or distributions, the Debtor shall deliver the same promptly to the Secured Party to be held by the Secured Party as provided in this Agreement.

14. Disposition of Monies

Subject to any applicable requirements of the Act, all monies collected or received by the Secured Party under or in exercise of any right it possesses with respect to Collateral shall be applied on account of the Obligations in such manner as the Secured Party deems best or, at the option of the Secured Party, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party under this Agreement, and any surplus shall be accounted for as required by law.

15. Performance of Obligations

If the Debtor fails to perform any of its obligations under this Agreement, the Secured Party may, but shall not be obliged to, perform any or all of those obligations without prejudice to any other rights and remedies of the Secured Party under this Agreement, and any payments made and any costs, charges, expenses, and legal fees and disbursements (on a solicitor and own client basis)



incurred in connection therewith shall be payable by the Debtor to the Secured Party forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be secured by this Agreement and rank prior to all claims subsequent to this Agreement.

16. Default

16.1 Unless waived by the Secured Party, it shall be an event of default ("default") under this Agreement and the security constituted by this Agreement shall immediately become enforceable if:

- (a) any material term, covenant, or representation of this Agreement is breached or if default occurs under any agreement between the Debtor and the Secured Party, if any and such default is not cured within the relevant cure period, if applicable; or
- (b) any amount owed to the Secured Party is not paid when due and such default is not cured within the relevant cure period, if applicable; or
- (d) the Debtor or any guarantor of the Debtor declares itself to be insolvent, makes an assignment for the benefit of its creditors, is declared bankrupt, declares bankruptcy, makes a proposal, or otherwise takes advantage of provisions under the *Bankruptcy and Insolvency Act*, the *Companies Creditors' Arrangement Act*, or similar legislation in any jurisdiction, or fails to pay its debts generally as they become due; or
- (e) a receiver or receiver-manager is appointed; or
- (f) the Debtor ceases to carry on all or a substantial part of its business; or
- (g) distress, execution, or seizure of any of the Collateral occurs; or
- (h) if the Debtor is a corporation, there is a change of voting control without the Secured Party's consent; or
- (i) the Debtor changes its name or amalgamates or merges without the Secured Party's consent; or
- (j) the Debtor allows any hazardous materials to be brought upon any lands or premises occupied by the Debtor.

16.2 The doctrine of consolidation applies to this Agreement.

17. Acceleration

The Secured Party, in its sole discretion, may declare all or any part of the Obligations that are not by their terms payable on demand to be immediately due and payable in the event of any default. The provisions of this paragraph do not and are not intended to affect in any way any

rights of the Secured Party with respect to any Obligations that may now or in future be payable on demand.

18. Enforcement

- 18.1 Upon any default under this Agreement, the security constituted by this Agreement shall immediately become enforceable. To enforce and realize on the security constituted by this Agreement, the Secured Party may take any action permitted by law or in equity, as it may deem expedient, and in particular, but without limiting the generality of the foregoing, the Secured Party may do any of the following:
- (a) appoint by instrument or court order a receiver, receiver and manager, or receiver-manager (the person so appointed is called the "Receiver") of all or any portion of the Collateral, with or without bond as the Secured Party may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
 - (b) enter upon any premises of the Debtor and take possession of the Collateral with power to exclude the Debtor, its agents, and its servants from those premises, without becoming liable as a mortgagee in possession;
 - (c) preserve, protect, and maintain the Collateral and make such replacements and repairs and additions as the Secured Party may deem advisable;
 - (d) sell, lease, or otherwise dispose of all or any part of the Collateral, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained, and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Secured Party may seem reasonable, provided that if any sale, lease, or other disposition is on credit, the Debtor shall not be entitled to be credited with the proceeds of any such sale, lease, or other disposition until the monies therefor are actually received; and
 - (e) exercise all of the rights and remedies of a secured party under the Act.
- 18.2 A Receiver appointed under this Agreement shall be the agent of the Debtor and not of the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence or nonfeasance on the part of any Receiver, its servants, agents, or employees. A Receiver shall, to the extent permitted by law or to such lesser extent permitted by its appointment, have all the powers of the Secured Party under this Agreement, and in addition shall have power to carry on the business of the Debtor and for such purpose to enter upon, use, and occupy all premises owned or occupied by the Debtor in which Collateral may be situate, maintain Collateral upon such premises, use, Collateral directly or indirectly in carrying on the Debtor's business, and from time to time borrow money either unsecured or secured by a security interest in any of the Collateral.



- 18.3 Subject to the claims, if any, of the creditors of the Debtor ranking in priority to this Agreement, all amounts realized from the disposition of Collateral under this Agreement shall be applied as the Secured Party, in its absolute discretion, may direct or as follows:
- (a) in payment of all costs, charges, and expenses (including legal fees and disbursements on a solicitor and own client basis) incurred by the Secured Party in connection with or incidental to
 - (i) the exercise by the Secured Party of all or any of the powers granted to it under this Agreement; and
 - (ii) the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it under this Agreement, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver excluding the Receiver's borrowings;
 - (b) in payment of any sum or sums borrowed by the Receiver from the Secured Party and interest thereon if such sum or sums are secured by the Collateral;
 - (c) in or toward payment to the Secured Party of all principal and other monies (except interest) due in respect of the Obligations;
 - (d) in or toward payment to the Secured Party of all interest remaining unpaid in respect of the Obligations;
 - (e) in or toward payment of any sum or sums borrowed by the Receiver from any financial institution, corporation, or person other than the Secured Party, and interest thereon if such sum or sums are secured by the Collateral.

Subject to applicable law and the claims, if any, of other creditors of the Debtor, any surplus shall be paid to the Debtor.

- 18.4 The Debtor agrees that the Secured Party may exercise its rights and remedies under this Agreement immediately upon default, except as may be otherwise provided in the Act, and the Debtor expressly confirms that, except as may be otherwise provided in this Agreement or in the Act, the Secured Party has not given any covenant, express or implied, and is under no obligation to allow the Debtor any period of time to remedy any default before the Secured Party exercises its rights and remedies under this Agreement.

19. Deficiency

If the amounts realized from the disposition of the Collateral are not sufficient to pay the Obligations in full, the Debtor shall pay to the Secured Party the amount of such deficiency immediately upon demand for the same.



20. Rights Cumulative

All rights and remedies of the Secured Party set out in this Agreement are cumulative, and no right or remedy contained in this Agreement is intended to be exclusive but each shall be in addition to every other right or remedy contained in this Agreement or in any existing or future security agreement or now or in future existing at law, in equity or by statute, or under any other agreement between the Debtor and the Secured Party that may be in effect from time to time.

21. Liability of Secured Party

The Secured Party shall not be responsible or liable for any debts contracted by it, for damages to persons or property or for salaries or non-fulfilment of contracts during any period when the Secured Party shall manage the Collateral upon entry, as provided in this Agreement, nor shall the Secured Party be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable. The Secured Party shall not be bound to do, observe, or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor, nor shall the Secured Party, in the case of Investment Property, Instruments, or Chattel Paper, be obliged to preserve rights against other persons, nor shall the Secured Party be obliged to keep any of the Collateral identifiable. The Debtor waives any applicable provision of law permitted to be waived by it which imposes higher or greater obligations upon the Secured Party than as contained in this paragraph.

22. Appointment of Attorney and Deed

- 22.1 The Debtor irrevocably appoints the Secured Party or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Debtor for and in the name of the Debtor to sign, endorse, or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances, or consents that the Debtor is obliged to sign, endorse, or execute, and generally to use the name of the Debtor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Secured Party or the Receiver, as the case may be, under this Agreement.
- 22.2 Whether or not the Debtor attaches its corporate seal, if a corporation, this Agreement is intended to be and is deemed to be a deed given under seal.

23. Accounts

Notwithstanding any other provision of this Agreement, the Secured Party may collect, realize, sell, or otherwise deal with the Accounts or any part of them in such manner, upon such terms and conditions, and at such time or times after default, as may seem to it advisable, and without notice to the Debtor, subject to the provisions of Part 5 of the Act. All monies or other forms of payment received by the Debtor in payment of any Account shall be received and held by the Debtor in trust for the Secured Party.



24. Appropriation of Payments

Any and all payments made in respect of the Obligations from time to time and monies realized from any security interests held therefor (including monies collected in accordance with or realized on any enforcement of this Agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party may at all times and from time to time change any appropriation as the Secured Party may see fit.

25. Liability to Advance

None of the preparation, execution, perfection, and registration of this Agreement or notice of this Agreement or the advance of any monies shall bind the Secured Party to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Debtor to the Secured Party.

26. Waiver

The Secured Party may from time to time and at any time waive in whole or in part any right, benefit, or default under any paragraph of this Agreement but any such waiver of any right, benefit, or default on any occasion shall be deemed not to be a waiver of any such right, benefit, or default thereafter, or of any other right, benefit or default, as the case may be, and no delay or omission by the Secured Party in exercising any right or remedy under this Agreement or with respect to any default shall operate as a waiver thereof or of any other right or remedy.

27. Notice

Any notice, demand, or other communication required or permitted to be given under this Agreement shall be effectually made or given if delivered by prepaid private courier or by facsimile transmission to the address of each party set out above or to such other address or facsimile number as either party may designate in the manner set out above. Any notice, demand, or other communication shall be deemed to have been given and received on the day of prepaid private courier delivery or facsimile transmission.

28. Extensions

The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of the Security Interest, and otherwise deal with the Debtor, account debtors of the Debtor, sureties, and others and with the Collateral, the Security Interest, and other security interests as the Secured Party sees fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize on the security constituted by this Agreement.



29. No Merger

This Agreement shall not operate to create any merger or discharge of any of the Obligations, or of any assignment, transfer, guarantee, lien, mortgage, contract, promissory note, bill of exchange, or security interest of any form held or which may in future be held by the Secured Party from the Debtor or from any other person. The taking of a judgment with respect to any of the Obligations shall not operate as a merger of any of the covenants contained in this Agreement.

30. Assignment

The Secured Party may, without further notice to the Debtor, at any time assign, transfer, or grant a security interest in this Agreement and the Security Interest. The Debtor expressly agrees that the assignee, transferee, or secured party, as the case may be, shall have all of the Secured Party's rights and remedies under this Agreement, and the Debtor shall not assert any defence, counterclaim, right of setoff, or otherwise with respect to any claim that the Debtor now has or in future acquires against the Secured Party in any action commenced by such assignee, transferee, or secured party, as the case may be, and shall pay the Obligations to the assignee, transferee, or secured party, as the case may be, as the Obligations become due.

31. Satisfaction and Discharge

Any partial payment or satisfaction of the Obligations, or any ceasing by the Debtor to be indebted to the Secured Party, shall be deemed not to be a redemption or discharge of this Agreement. The Debtor shall be entitled to a release and discharge of this Agreement upon full payment and satisfaction of all Obligations and upon written request by the Debtor and payment to the Secured Party of all costs, charges, expenses, and legal fees and disbursements (on a solicitor and own client basis) incurred by the Secured Party in connection with the Obligations and such release and discharge.

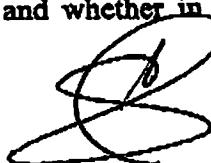
32. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, executors, personal representatives, successors, and permitted assigns.

33. Interpretation

33.1 In this Agreement, "Debtor" and the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used, depending upon whether the Debtor is one or more individuals, corporations, or partnerships and, if more than one, shall apply to and be binding upon each of them jointly and severally.

33.2 Words and expressions used in this Agreement that have been defined in the Act shall be interpreted in accordance with their respective meanings given in the Act, whether expressed in this Agreement with or without initial capital letters and whether in the

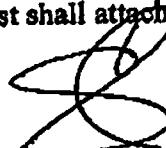


singular or the plural, unless otherwise defined in this Agreement or unless the context otherwise requires, and, wherever the context so requires, in this Agreement the singular shall be read as if the plural were expressed, and vice-versa, and the provisions of this Agreement shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm, or corporation.

- 33.3 Should any provision of this Agreement be declared or held invalid or unenforceable in whole or in part or against or with respect to the Debtor by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of any or all of the remaining provisions of this Agreement, which shall continue in full force and effect and be construed as if this Agreement had been executed without the invalid or unenforceable provision.
- 33.4 The headings of the paragraphs of this Agreement have been inserted for reference only and do not define, limit, alter, or enlarge the meaning of any provision of this Agreement.
- 33.5 This Agreement shall be governed by the laws of British Columbia.

34. Miscellaneous

- 34.1 The Debtor authorizes the Secured Party to file such financing statements, financing change statements, and other documents, and do such acts, matters, and things as the Secured Party may deem appropriate, to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral, and to realize upon the Security Interest.
- 34.2 The Debtor waives protest of any Instrument constituting Collateral at any time held by the Secured Party on which the Debtor is any way liable and, subject to the provisions of the Act, notice of any other action taken by the Secured Party.
- 34.3 The Debtor covenants that it shall not amalgamate with any other company or entity without first obtaining the written consent of the Secured Party. The Debtor acknowledges and agrees that if it amalgamates with any other company or companies, then it is the intention of the parties that the term "Debtor" when used in this Agreement shall apply to each of the amalgamating companies and to the amalgamated company, so that the Security Interest granted by this Agreement:
 - (a) shall extend to "Collateral" (as that term is defined in this Agreement) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" owned or acquired by the amalgamated company thereafter, and
 - (b) shall secure the "Obligations" (as that term is defined in this Agreement) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "Obligations" of the amalgamated company to the Secured Party arising thereafter. The Security Interest shall attach



to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when that Collateral becomes owned or is acquired.

- 34.4 The Debtor authorizes the Secured Party to provide a copy of this Agreement and such other information and documents specified under the Act to any person entitled under the Act to demand and receive them.

35. Copy of Agreement and Financing Statement

The Debtor

- (a) acknowledges receiving a copy of this Agreement, and
- (b) waives all rights to receive from the Secured Party a copy of any financing statement, financing change statement, or verification statement filed, issued, or obtained at any time in respect of this Agreement.

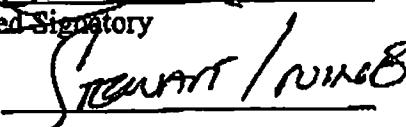
IN WITNESS WHEREOF the Debtor has caused this Agreement to be executed and delivered as of this 23rd day of April, 2012.

IMOGO MOBILE TECHNOLOGIES
CORP.

Per:


Authorized Signatory

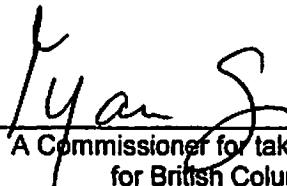
Print Name:


Stewart Jones

SCHEDULE A
(Prior Encumbrance)

See Attached

This is Exhibit "E" referred to in the affidavit of Chris Hill,
sworn before me at Vancouver, in the Province of British
Columbia, this 19th day of April, 2013



A Commissioner for taking Affidavits
for British Columbia



FROM THE OFFICE OF Robert T. Groves
 DIRECT LINE 604.643.2927
 DIRECT FAX 604.605.3505
 E-MAIL rtgroves@davis.ca

February 21, 2013

FILE NUMBER 83439-00017

**DELIVERED BY COURIER
AND BY FAX**

Imogo Mobile Technologies Corp.
203 - 4211 Kingsway
Burnaby, BC V5H 1Z6

Dear Sirs:

Re: Outstanding indebtedness of Imogo Mobile Technologies Corp. ("Debtor") to Espresso Capital Partners Tax Credit II Fund Limited Partnership ("Espresso") pursuant to the loan agreement dated April 23, 2012 ("Loan Agreement") and secured by a general security agreement from Debtor ("Security")

Please be advised that we are the solicitors for Espresso, and we refer to the above-noted Loan Agreement and Security.

Formal demand is hereby made for all amounts due and owing pursuant to the Loan Agreement and the Security, including the principal monies, together with interest, and all other amounts pursuant thereto. As of February 20, 2013, the total amount outstanding is \$249,042.40, which continues to accrue interest from that date at the rate of 2.25% per month (or 30.60% per annum), calculated and compounded monthly, not in advance (collectively, the "Indebtedness").

This letter is to advise that unless payment of the Indebtedness, together with interest accruing to the date of payment, is received by way of certified cheque, bank draft or money order made payable to Davis LLP in trust, within 10 days from the date hereof, our client has instructed that all necessary steps to recover the amounts due and owing will be taken.

Notwithstanding the foregoing, our client expressly reserves the right to appoint an interim receiver prior to the expiration of the demand in the event our client is of the view that such an appointment is necessary.

Pursuant to the provisions of the *Bankruptcy and Insolvency Act*, we are enclosing a Notice of Intention to Enforce Security in the prescribed form for the Debtor.



Page 2 of 3

All enquiries and payments should be directed to the attention of the writer to ensure due credit is given immediately to your account.

We trust the foregoing is in order.

Yours truly,
DAVIS LLP


Per:

Robert T. Groves
RTG/jp

cc: Espresso Capital Partners Tax Credit II Fund Limited Partnership

Davis: 13249009.1

NOTICE OF INTENTION TO ENFORCE A SECURITY

(Rule 124)

TO: Imogo Mobile Technologies Corp.
203 - 4211 Kingsway
Burnaby, BC V5H 1Z6, an insolvent person

Take notice that:

1. Espresso Capital Partners Tax Credit II Fund Limited Partnership, a secured creditor, intends to enforce its security on the insolvent person's property described below:

all present and after-acquired personal property

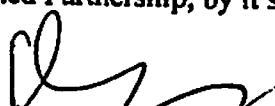
2. The security that is to be enforced is in the form of general security agreement.

3. The total amount of indebtedness secured by the security is \$249,042.40 as at February 20, 2013, with interest continuing to accrue at the rate of 2.25% per month (30.60% per annum) calculated and compounded monthly, not in advance.

4. The secured creditor will not have the right to enforce the security until after the expiration of the 10-day period after this notice is sent unless the insolvent person consents to an earlier enforcement.

Dated at Vancouver, British Columbia, on this 21st day of February, 2013.

Espresso Capital Partners Tax Credit II Fund Limited Partnership, by its solicitors Davis LLP:



Robert T. Groves